



ANDREW M. BATEMAN
Chief Legal Officer

Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, SC 29201
(803) 737-0800
ORS.SC.GOV

January 13, 2022

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Dominion Energy South Carolina, Incorporated for Approval to Sell Real Property and Waiver of Bid Requirement (Transfer the Sand Dunes Property to SDC Island Resident Club, LLC)
Docket No. 2021-374-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff (“ORS”) hereby notifies the Public Service Commission of South Carolina (“Commission”) that ORS has reviewed the request submitted by Dominion Energy South Carolina, Incorporated (“DESC” or “Company”) for approval to sell a parcel of real property on Sullivan’s Island in Charleston County, South Carolina known as the Sand Dunes Property (the “Property”) and a waiver of bid requirement (“Application”).

South Carolina Code Ann. § 58-27-1300 requires DESC to obtain approval from the Commission when the Company seeks to “sell, assign, transfer, lease, consolidate, or merge its utility property” that has a fair market value in excess of \$1,000,000. By Order No. 2021-358 (“Order”), dated May 14, 2021, the Commission approved certain recommendations and reporting requirements regarding real property owned by DESC. The Order requires DESC to engage in a competitive bidding process for sales of real property with an appraised value in excess of \$1,000,000 (“Bid Requirement”).

The Property that DESC is requesting to sell consists of approximately 3.46 acres. The Property includes a 13,716 square foot club house, four (4) picnic shelters of varying size, and a swimming pool. The Company asserts that the fair market value of the Property exceeds \$1,000,000. Additionally, in its Application, the Company stated that it has entered into a contract to sell the Property to SDC Island Resident Club, LLC, which ORS understands is not affiliated with the Company, for \$19,000,000.

According to the Application, the Property is classified on the Company's books and records as common utility property. However, the Property is not included within the Company's rate base for electric and natural gas operations. ORS understands that, in accordance with the Federal Energy Regulatory Commission Uniform System of Accounts prescribed for public utilities, as adopted by the Commission, any gain realized from this transaction related to the building will be credited as salvage to depreciation reserves and any gain from this transaction related to the land will be recorded in Account 421.1000 entitled "Gain on Disposition of Property," and any loss realized from sale of the land will be recorded in Account 421.2000 entitled "Loss on Disposition of Property."

ORS has reviewed the Company's Application, South Carolina Code Ann. § 58-27-1300, and Commission Order No. 2021-358. ORS understands that this request will not involve a change to any of DESC's retail rates or prices, or require any change in any Commission rule, regulation, or policy. ORS does not object to the Company's request for approval to sell the Property. Also, ORS does not object to the Company's request to a waiver of the bid requirement as this is a method to expedite the sale process.

Sincerely,



Andrew M. Bateman

cc: All Parties of Record (via e-mail)
C. Jo Anne Wessinger Hill, Esquire (via e-mail)
David Butler, Esquire (via e-mail)